



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Robert M. Duncan, Treasurer
Republican National Committee - RNC
310 First Street S.E.
Washington, DC 20003

MAY 01 2002

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Reference: Amended April Monthly Report (3/1/01-3/31/01), received 8/22/01

Dear Mr. Duncan:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule H3 discloses the receipt of \$70,145.29 from your non-federal account for an expenditure/event that is listed as 100% federal on Schedule H2 and H4 of the previous report. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer(s) from its non-federal account solely to cover the non-federal share of the allocable expense(s). 11 CFR §106.5(g)(i) However, a 100% federal expenditure does not fall within the definitions of an allocable expense, and constitutes an impermissible transfer of funds received by your federal account from your non-federal account.

The Commission recommends you immediately transfer the total amount received by your federal account back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-The Detailed Summary Page, on Line 18 Column A of your report, discloses \$3,154,030.70 in transfers from the non-federal account for joint activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$1,209,265.41 as the non-federal share for joint activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for shared activity, transfers for shared activity